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Marlene H. Dortch, Secretary

Federal Communications Commission

445 Twelfth Street, S.W.

Washington, DC 20554

Re: *Misuse of Internet Protocol (IP) Captioned Telephone Service*, CG Docket 13-24 and
Telecommunications Relay Services and Speech-to-Speech Services for
Individuals with Hearing and Speech Disabilities, CG Docket 03-123.

Dear Ms. Dortch:

On August 29, 2017, Mike Ellis, Claudia Gordon, Charles McKee, and the undersigned counsel on behalf of Sprint Corporation (“Sprint”) met with Karen Peltz Strauss, Eliot Greenwald, Bob Aldrich, Michael Scott, and Susan Bahr of the Commission’s Consumer and Governmental Affairs Bureau, and Andrew Mulitz (via phone) and David Schmidt of the Commission’s Office of Managing Director.

The purpose of the meeting was to discuss IP-based Captioned Telephone Service (“IP CTS”). Sprint recognized the Commission’s concerns about the growth of the service and its impact on the Interstate TRS Fund. Sprint reiterated that the Multistate Average Rate Structure (“MARS”) methodology remains the most appropriate rate-setting methodology especially as it pertains to Sprint because it, in contrast to other IP CTS providers, remains engaged in real-world competition for the provision of CTS to state TRS programs. As such, MARS is a sound, competitively-based, non-artificial methodology; moreover, Sprint explained that its intrastate CTS (upon which MARS is based) and IP CTS have nearly identical cost structures.

While Sprint maintains that MARS is superior to other rate-setting methodologies, Sprint expressed its openness to examining other means of rate-setting for IP CTS. Indeed, Sprint urged the Commission to vet other methodologies through an NOI or NPRM but to freeze the rate at the existing levels until a change in methodologies is formally adopted. Aside from legal/procedural concerns, an immediate reduction in the IP CTS could be highly disruptive to both providers and users of IP CTS. Indeed, a significant reduction in the rate will force Sprint to consider exiting the business as it cannot provide a service below its

costs. And, consumers could see a drastic reduction in the quality of service – possibly at levels below functional equivalency.

Sprint also implored the Commission to address rate setting *in conjunction with* service quality. Sprint believes the Commission would be putting the proverbial “cart before the horse” by addressing the rate prior to establishing service quality measurements. The higher the bar is set on things like accuracy, latency, and speed of answer – the higher the cost will be to provide the service. The rates, costs, and service quality are intertwined; as such, Sprint cautioned against a piecemeal approach which could result in unintended consequences. Sprint maintains the Commission, users and providers are best served by a holistic approach to properly restructure IP CTS.

Further, Sprint urged the Commission to ensure a level playing field. Should the Commission wish to move to a cost-based methodology, for example, it should ensure that costs are well-defined so that all providers are reporting costs in the same manner. This is the only way in which to ensure all costs are properly accounted for and taken into consideration when establishing a cost-based rate. Sprint does not believe the Commission nor the TRS Fund Administrator have at their disposal now a fulsome, apples-to-apples comparison of costs amongst the IP CTS providers.

In short, Sprint expressed its desire for a careful, deliberative approach to improving IP CTS and believes a Further Notice of Proposed Rulemaking and/or Notice of Inquiry is the best regulatory vehicle for sustained improvements that will ensure a healthy IP CTS for years to come.

This filing is made in accordance with 47 C.F.R. §1.1206(b)(1). In the event that there are any questions concerning this matter, please contact the undersigned.

Respectfully submitted,

/s/ Scott R. Freiermuth

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cc: Karen Strauss, Eliot Greenwald, Bob Aldrich, Michael Scott, Susan Bahr, Andy Mulitz and David Schmidt